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Attorneys for Public Utility District No. 1 of Douglas County, Washington

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON**

In re:

**GIGA WATT INC, a Washington
corporation,**

Debtor.

No. 18-03197-FPC11

CHAPTER 11

**DECLARATION OF JEFF
JOHNSON IN SUPPORT OF
OBJECTION TO COMMITTEE'S
MOTION FOR AUTHORIZATION
TO FILE ADVERSARY
PROCEEDING AGAINST
DOUGLAS COUNTY PUD FOR
THE BENEFIT OF THE
BANKRUPTCY ESTATE**

I, JEFF JOHNSON, state as follows:

1. I am the Power Planning Supervisor for Public Utility District No. 1 of Douglas County, Washington (the "District"), am over the age of eighteen (18), have personal knowledge of the matters contained in this Declaration, and am competent to testify.

**DECLARATION OF JEFF JOHNSON IN SUPPORT OF
OBJECTION TO COMMITTEE'S MOTION FOR
AUTHORIZATION TO FILE ADVERSARY PROCEEDING
AGAINST DOUGLAS COUNTY PUD FOR THE BENEFIT OF
THE BANKRUPTCY ESTATE- 1**

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1 2. In my position with the District I worked directly with personnel of
2 Giga Watt Inc. (“Giga Watt”) and its engineers and contractors with regard to the
3 installation of infrastructure, including a substation, to provide power to the
4 Pangborn site. My interactions with Giga watt began in March of 2017, and
5 continuing until the District terminated the Interconnection and Services
6 Agreement in October of 2018,
7

8 3. The District initially informed Giga Watt that it would take
9 approximately two years to build out a substation for the Pangborn site. However,
10 Giga Watt believed it could build the substation faster, and the District agreed to
11 allow Giga Watt to construct the substation with District guidance. At no time was
12 there any dispute about who would build the substation.
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15 4. The District’s engineering staff provided limited engineering help
16 during this period, but Giga Watt also had its own engineers and electrical
17 consultants.
18
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20 5. Giga Watt encountered significant issues constructing the substation
21 due to poor design work as well as L&I concerns. When it became clear to Giga
22 Watt that the substation would be delayed because of these issues, Giga Watt
23 requested that the District operate and maintain a mobile substation that they
24 would lease from a third-party on a temporary basis.
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27 **DECLARATION OF JEFF JOHNSON IN SUPPORT OF**
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1 6. I drafted a Substation Operation and Maintenance Agreement and
2 provided a draft version to Giga Watt on July 13, 2018. That agreement was for a
3 service load of 10 MW. Based on feedback from Dave Carlson, that load was
4 increased to 12 MW in a subsequent draft in order to support what he said was
5 their current buildout. I provided the revised draft to Mr. Carlson for signature on
6 August 7, 2018. I did not hear back from him.

7
8
9 7. I subsequently contacted George Turner, who was the Project
10 Manager at Giga Watt. I told him that since we had not received a signed copy of
11 the agreement, the Commissioners would not be able to take the matter up at the
12 next Commission meeting on August 13, 2018.

13
14 8. On August 21, 2018, Mr. Turner informed me that he could sign the
15 agreement. I sent him the agreement the next day, August 22, 2018, and he
16 returned a signed copy the same day.

17
18 9. Mr. Turner later informed me in a meeting that Dave Carlson had left
19 the company on August 15, 2018, that contractors had not been paid, and that the
20 company was hanging on by a thread. He seemed very doubtful about the
21 prospects for Giga Watt.

22
23 10. The District did not immediately execute the mobile substation
24 agreement due to concerns about Giga Watt's financial condition and the lack of an
25

1 agreement with the Snohomish PUD. Ultimately, I understood that Giga Watt was
2 unable to lease the mobile substation from the Snohomish PUD.
3

4 13. On August 15, 2018, Giga Watt became past due on all of its
5 electrical service billings. On August 29, 2018, Giga Watt paid the billings current,
6 one day before services were to be shut off. That payment was returned for
7 insufficient funds and Giga Watt remedied that on September 5, 2018.
8

9 14. In a meeting on September 4, 2018, between me and Dennis Baker for
10 the District and George Turner for Giga Watt, Mr. Turner informed us that he
11 might be receiving another job offer and that if he did, he would likely take it. Mr.
12 Turner also told us that Giga Watt did not have the funds required before the
13 District could sign a mobile substation agreement with Giga Watt.
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16 15. At that same meeting on September 4, 2018, Mr. Turner informed us
17 that Giga Watt was “hanging on by a thread.”
18

19 16. On September 26th, 2018, The Wenatchee World Newspaper ran an
20 article reporting that Giga Watt had laid off 57 of its 70 employees. A true and
21 correct copy of that article is attached to this Declaration as Exhibit A.
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1 I DECLARE UNDER PENALTY OF PERJURY THAT THE
2 FOREGOING IS TRUE AND CORRECT.
3

4 Executed on April 27, 2020.
5

6 /s/ Jeff Johnson
7 JEFF JOHNSON
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